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COMPT

5 MAR 1980

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : Maurice Lipton
Comptroller

SUBJECT : CRAFT

1. With the assistance of a panel chaired by the Deputy Comptroller and representatives of the DDO, DDS&T, and DDA, I have made an appraisal of the accelerated CRAFT proposal briefed to the Executive Committee and contained in a draft paper prepared by an interagency group under the auspices of IMS. I commend those responsible for the draft proposal for a thoughtful and candid consideration of the issues involving CRAFT prepared under severe time constraints. My principal findings are:

2. The Agency should support an accelerated program. Whatever its final configuration, CRAFT will help our human source collection efforts overseas by:

-- saving clerical effort, including that now performed by case officers;

-- developing file systems that are easy to use and that provide more data for operational use; and

-- providing a more secure overseas environment than we have now by reducing the amount of paper in a station and making files easier to destroy and, possibly, easier to reconstitute.

3. There is a good security argument for CRAFT, but it is not unequivocal. It will be substantially easier for a station to destroy an equivalent amount of data stored via CRAFT than in paper holdings. Moreover, insofar as CRAFT limits the amount of paper in a station, the station will be intrinsically more secure. But consider that:

-- We have done no detailed analysis describing the connection between the security provided by CRAFT and that provided by microfiche storage of data in the field.

-- CRAFT will not eliminate all paper holdings in a station. Indeed, each terminal will have an attached paper printer.

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-- CRAFT will not be readily available to CIA officers

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-- A security error is potentially more damaging because magnetic storage media contains much more information than does an equivalent amount of paper. (See attachment for listing of pros and cons re CRAFT and security prepared by the Security Officer on the accelerated CRAFT team.)

4. The accelerated program should be limited to the stand-alone word and data processing aspects of CRAFT. The draft proposal discusses "interim" or "short-term" CRAFT and "long-term" CRAFT. "Interim" CRAFT refers to stand-alone word-processing and data processing systems in overseas stations by FY 1984. The "long-term" system connects CRAFT directly to Headquarters files. The draft proposal does not discuss in any detail the "long-term" effort; little systematic work has been done on it and its requirements for communication and other resources would be very great. Hence, putting the "long-term" effort on the back burner makes good sense, although we should not lose sight of the fact that the advent of the MERCURY communications upgrade late in the decade will make "long-term" CRAFT a viable option.

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-- With respect to "interim" CRAFT, one must say right off that we should not, and cannot justify the expenditure of \$80 million for an "interim" step to an, as yet, unknown complete system. Hence, whatever we go forward with at this time should be understood by us as the CRAFT system we want to buy.

5. The accelerated CRAFT program submitted to the Executive Committee is probably not workable as submitted. It proposes getting nearly 100 "intelligent" Delta Data 7000 terminals and three minicomputers into the field in FY 1981. But consider that:

-- The proposal requires about \$6 million in FY 1980. It is highly unlikely that such additional funds will become available in 1980.

-- The proposal will necessitate the diversion of Delta Data terminals the Agency already has on order for 1980 and 1981 delivery. Moreover, it will not be possible to get as many printers to the field in FY 1981 as the plan calls for.

-- Word processing software for just the "intelligent" terminal is months away from completion. Getting the bugs out will take us well into FY 1981.

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-- The plan calls for crucial activities to be under way simultaneous with sending terminals to the field. For example, an integrated test of the system must be done before any deployment to the field. But it cannot be done until the beginning of FY 1981.

-- In sum, the proposed schedule is far too optimistic in its assumptions regarding the availability of needed hardware and software and the near-perfect performance of staff, contractors, and industrial suppliers on a day-in, day-out basis. It underestimates the procedural, bureaucratic, and technical difficulties that are inherent in building any system as large as CRAFT and with as many actors. There is little or no allowance-for-trouble built into the schedule, although it is inevitable, on the basis of past experience, that in the real world there will be unforeseen delays and problems.

6. Because of the rapid shift from a measured to an accelerated CRAFT, we lack the kind of detailed supporting data and analysis that is essential to building a system as complicated as CRAFT and to selling it to outside reviewers. There are no insuperable problems here. But it takes time to develop such data as detailed system requirements, system definitions, task plans, training and maintenance plans, and operating scenarios. We need to have a clear conception, on paper, of what small and large stations look like before and after CRAFT. We need to have a detailed management plan with spelled-out obligations for all parties, i.e., the Offices of Communications, Data Processing, Training, and Logistics, in addition to IMS. Some of this work is already under way, but almost all of it remains to be started or completed.

7. In making your decision with respect to CRAFT, you should also keep in mind:

-- Assuming that we do get a budget amendment in 1981 and we scale back the data processing portion of the draft proposal, there will still be considerable costs associated with the system in 1982, 1983, 1984, and 1985. We might be talking about \$10-15 million in 1982, a year when we will have substantial resource needs for strengthened R&D, NPIC, and agent equipment for the human source collection effort. With respect to the latter, your guidance for 1982 asserts that we try to strengthen clandestine collection in 1982. Do we feel comfortable making CRAFT the center-piece of that effort? Is it the highest pay-off step we can take?

-- The State Department is also well into overseas word and data processing, first on an unclassified

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basis, but now they are beginning to consider handling classified material. Like it or not, we will inevitably get involved in the Department's efforts. We should take the initiative to keep abreast of what they are doing and, if possible, get them to use our types of equipment for whatever classified automated effort they get into.

-- Finally, we can count on considerable difficulties with RMS and OMB on accelerated CRAFT. The latter, in particular, will want to avoid any 1981 budget amendment, especially given the President's commitment to attack inflation by cutting \$20 billion from the existing budget to reduce the deficit. Getting CRAFT into a budget amendment will depend on how well we can demonstrate that it is a coherent response to the changing world situation.

8. Recommendations: That you establish a CRAFT project office, staffed by officers from IMS and the Offices of Security, Communications, and Data Processing. The project office should report to the DDO via the Chief, IMS. This office should immediately develop supporting data in this priority:

a. A revised proposal that deletes any need for significant funds in 1980, that makes the assumption that the bulk of the costs will be funded starting in 1982, and that has sufficient funding in 1981 (on the order of \$3-5 million) to meet highest priority needs.

b. The proposal should:

(1) provide a management plan that describes the obligations and relationships of the Offices of Communications, Data Processing, Training, Logistics, and IMS;

(2) provide for the assistance of contractors to assist the project office as system integrators and in such other roles as may be required considering the potential difficulty in greatly increasing staff positions; and

(3) describe what the plans are for data conversion of station paper holdings.

c. Provide a priority listing of overseas stations to receive CRAFT as well as criteria establishing priorities.

d. Analyze the security and efficiency gains from CRAFT. Include scenarios of what would happen in burn-out situation, including restoration of files, etc.

e. Write a word model of a station with CRAFT including specifics on such matters as the files to be included on floppy discs, how they will be updated, how and how frequently Headquarters duplicative holdings will be updated, what paper holdings will remain, etc.

f. Develop task plans and schedules to develop and deploy a CRAFT system overseas.

9. All portions of this document are classified ~~SECRET~~.

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Maurice Lipton

Attachment:

As Stated

Distribution:

Orig - Addressee

1 - ER

1 - DDO

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1 - C/IMS

1 - Each CRAFT Review

Group Member

1 - Compt Subj

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O/Compt/D/Compt. [redacted] hr 3/5/80

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Security Advantages and Concerns Relative to Overseas CRAFT

This paper attempts to identify the major security advantages and concerns which will result from implementation of the CRAFT system at overseas locations. It assumes that eventually the CRAFT system will result in virtually paperless overseas stations and bases. It should be noted that the advantages outweigh the concerns of putting CRAFT overseas.

ADVANTAGES

1. Emergency and routine destruction time for classified information will be greatly reduced.
2. Eventual development of data encryption will result in greater security for information stored in magnetic media than is currently available in paper form.
3. There will be a reduction in the number of safes needed to store classified information.
4. Has the potential for reducing the number of classified paper documents created in the field.
5. Highly reliable and relatively inexpensive magnetic storage destruction devices are available in contrast to the expensive and unreliable devices currently in use overseas for destruction of classified paper.

CONCERNS



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